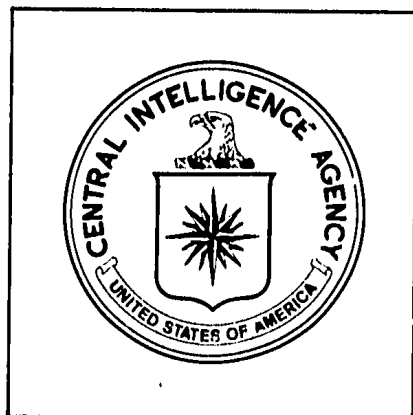


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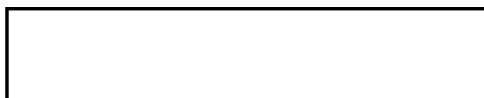


STAFF NOTES:

Middle East Africa South Asia

NSA review completed

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MIDDLE EAST – AFRICA – SOUTH ASIA

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Libya

Concerned Over US Intentions

The Libyans now seem convinced that press stories of alleged US plans to seize their oilfields are true.

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Until late last year, the regime had responded to the press stories as if they were simply part of Washington's overall diplomatic strategy for bringing down oil prices.

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An interview with a US Marine captain aired on French television last week may well have confirmed Tripoli's worst fears. When questioned about his mission in the Mediterranean the captain stated there probably were plans "at high echelons" to invade Libyan oilfields. He then asserted that US forces were fully capable of carrying out such a mission and would have no moral qualms about doing so.

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Libyan officials have been reluctant to publicize any information or answer questions about Sixth Fleet activities,

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Even in private, Libyan authorities have made only restrained references to Sixth Fleet activity.

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This uncharacteristic Libyan caution is probably due in part to Tripoli's recognition that it must avoid a provocative incident in view of its limited military capabilities.

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Mounting fears of US intentions could quickly change Tripoli's strategy, but at least for the present the regime intends to act with caution.

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Ghana*The Junta's Third Anniversary*

Ghana's National Redemption Council, the military junta that ousted the civilian government of Dr. Kofi Busia, observed its third anniversary on January 13 on a generally subdued and defensive note.

The most noteworthy aspect of the anniversary celebration was an announcement by Colonel Acheampong--the council chairman--that an officer of the disgruntled Ewe tribe had been appointed to head the 3,000-man border guard unit. Acheampong's closest advisers had been pressing him to ease his longstanding dispute with this important tribe by naming a troop commander from the Ewes.

In a pre-anniversary day press conference, Acheampong discounted rumors of serious splits among the council members and announced guidelines for the regime's long promised five-year development plan. He also said that there was sufficient civilian participation in the government and that Ghana was not facing a deteriorating foreign exchange situation.

Acheampong began 1974 with confidence and a reasonably high degree of popular acceptance. He still appears to have sufficient support to maintain control for now, but he has lost some prestige.

Despite his disclaimers at the press conference, the ruling council remains divided by personal, tribal, and policy issues.

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Africa

Increased Oil Prices Pose a Threat to Development

Preliminary estimates from a cross section of sub-Saharan African oil importing countries indicate that their combined trade deficit doubled in 1974. Fortuitous price increases for many major African exports prevented a much more serious deficit. Payments for oil imports tripled, rising from about 8 percent to 16 percent of the total import bill. Increased foreign grants and indebtedness were the principal means of financing the larger deficits.

Sub-Saharan countries will have to continue increasing their dependence on foreign aid in 1975 just to stay even with import costs. The partial relief provided by the high prices paid for exports is already evaporating as the disarray in developed economies reduces the demand for these exports. Growing amounts of foreign aid required to finance imports for current consumption may erode development funding, damaging the countries' long-term economic potential. Inflationary rises in consumer prices, prompted largely by the high oil prices, already have affected the welfare of most urban Africans.

So far, the increased foreign aid for sub-Saharan countries has come mainly from traditional European donors. Most former French territories, for example, have regularly covered their deficits by borrowing from France, effectively transferring the burden of the increased oil prices to Paris. As the year progressed, several countries also began borrowing from the International Monetary Fund Oil Facility and from the Arab Fund for Africa. Although Arab aid sources probably will increase in importance in 1975, Europe will continue to provide most aid.

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